# GOVERNMENT OF INDIA
# FINANCE
# LOK SABHA

UNSTARRED QUESTION NO:1533
ANSWERED ON:01.12.2006
FILING OF IT ONLINE
Singh Kunwar Rewati Raman;Yerrannaidu Shri Kinjarapu

**Will the Minister of FINANCE be pleased to state:**

(a) Whether it is a fact that the Government has made it compulsory for all the companies to file their annual tax returns online starting with the assessment year 2005-06;

(b) If so, the details thereof ;

(c) Whether the direct tax collections will increase as a result thereof; and

(d) If so, the details thereof ?

## Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) Yes, Sir. It has been made compulsory for all the companies to file their annual tax return online after 24.7.2006 for the assessment year 2006-07, corresponding to the financial year 2005-06.

(b) A two step-procedure has been prescribed for furnishing the return electronically without digital signature. First step is to transmit the details of the return and schedules thereto electronically (without digital signature) and thereafter to file a paper return. However, if the return is furnished electronically under the digital signature, it will not be necessary to furnish the paper return.

(c)&(d) The online filing of income tax returns will reduce the compliance burden of taxpayers. Therefore, the impact on voluntary compliance and direct tax collections is likely to be positive. However it is not possible to quantify this impact.